AGENDA ITEM NO. 2

AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD

AS SUCCESSOR AGENCY OF THE MAYWOOD

COMMUNITY REDEVELOPMENT AGENCY

DATE: FEBRUARY 13, 2013

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ANDRE DUPRET, PROJECT MANAGER

SUBJECT: REVIEW, APPROVE AND ADOPT RESOLUTION FOR THE

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 13-14 A.

RECOMMENDATION

That the Oversight Board for the City of Maywood ("Oversight Board"), as Successor Agency of the Maywood Community Redevelopment Agency ("Successor Agency"), approve Resolution No. 13-0668 adopting the Recognized Obligation Payment Schedule for the period July 1, 2013 through December 31, 2013 ("ROPS 13-14A").

FISCAL IMPACT

ROPS 13-14A will pay the Successor Agency's enforceable obligations and administrative expenses.

BACKGROUND

On December 29, 2011, in the *CRA v. Matosantos* case, the Court upheld ABX1 26 and invalidated ABX1 27 thereby eliminating redevelopment agencies and the voluntary option to pay to continue redevelopment. All redevelopment agencies in California were dissolved effective February 1, 2012 with assets, properties, and documents transferred to the successor agencies. Pursuant to the Dissolution Bills, the Successor Agency must submit a report of its enforceable obligations (aka ROPS 13-14A) for the period July 1, 2013 through December 31, 2013. ROPS 13-14A is presented to the Successor Agency for consideration and adoption.

DISCUSSION

To ensure that the Successor Agency receives funds from the State of California to pay its 2013 bond indebtedness and other obligation(s) such as administrative and

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maintenance costs associated with successor agency dissolution activities, the DOF requires the Successor Agency prepare a ROPS every six months. The ROPS being considered tonight is the fourth consecutive ROPS that has been brought before the Agency for approval this year.

As with the previous ROPS, ROPS 13-14A is first sent to the Successor Agency for consideration (this occurred on February 11, 2013) and then forwarded to the Oversight Board for its approval as required by the Dissolution Bills (today's action). The approved ROPS 13-14A, along with the adopting resolution, will then be submitted to the California Department of Finance, the Los Angeles County Auditor-Controller and other agencies as required by the Dissolution Act for final review and action.

Administrative Cost Allowance

The administrative cost allowance was increased to the statutory amount set forth in Section 34171(b). This includes legal services for the Oversight Board and additional time spent by the Successor Agency attorney and staff responding to requests.

City Loans

The California Department of Finance ("DOF") denied City loans to the former redevelopment agency across the board during the ROPS III period until the successor agency obtains its Finding of Completion. The DOF staff suggested that the Successor Agency include the City loans to the former redevelopment agency on its ROPS 13-14A because it would likely obtain its Finding of Completion during the ROPS 13-14A period. However, the DOF has "locked" the spreadsheet so that this line item carries over from ROPS III but cannot be manipulated in any way.

Staff Time Spent on CDC

When the due diligence review was conducted by Moss, Levy & Hartzeim, the auditor pointed out that the Successor Agency was entitled to recoup City staff time spent working for the former redevelopment agency. This is consistent with the definition of "enforceable obligation" as "obligations imposed by state law ... or legally enforceable payments required in connection with the agencies' employees..." (Health and Safety Code Section 34171(d)(1)(C).)

Under the Community Redevelopment Law, the former redevelopment agency was explicitly authorized to utilize City staff and resources. (Section 33128.) If the City complied with its statutory obligation under Section 33128, it would be an improper gift of public funds if it did not seek reimbursement of City staff and resources.

Attachments: 1. Resolution

2. ROPS 13-14A

RESOLUTION NO).	
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A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY ADOPTING THE FOURTH RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE ("ROPS 13-14A") FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, the Maywood Community Redevelopment Agency, Maywood, California ("Agency") was formed for the purpose of revitalizing areas within the City of Maywood pursuant to Health and Safety Code Section 33000, et. seq.; and

WHEREAS, AB X1 26 and AB 1484 ("the Dissolution Bills") dissolved all redevelopment agencies in the State of California; and

WHEREAS, the City of Maywood opted to serve as Successor Agency to the Maywood Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, under the Dissolution Bills, the Successor Agency must submit a Recognized Obligation Payment Schedule ("ROPS") every six months that sets forth all of the Successor Agency's financial obligations over that period; and

WHEREAS, the City as Successor Agency to the Maywood Community Redevelopment Agency reviewed and approved resolution adopting the Recognized Obligation Payment Schedule for the period of July 1, 2013 through December 31, 2013 (ROPS 13-14A); and

WHEREAS, the ROPS 13-13A for the period July 1, 2013 through December 31, 2013 is due to the California Department of Finance (DOF) on or before February 19, 2013.

NOW THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The Oversight Board of the City of Maywood as Successor Agency to the Maywood Community Redevelopment Agency ("Maywood Oversight Board") finds that the above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

SECTION 2. The ROPS 13-14A for the period July 1, 2013 through December 31, 2013, and attached hereto as Attachment 1, is hereby approved, adopted, and incorporated by reference by the Maywood Oversight Board pursuant to Health & Safety Code Section 34177.

SECTION 3. The Maywood Oversight Board authorizes staff to take all necessary administrative actions to comply with Health & Safety Code Section 34177.

Resolution No.	
SECTION 4. The Maywood Oversigh adoption of this resolution and enter it into the l	t Board Secretary shall certify to the passage and book of original resolutions.
PASSED, APPROVED AND ADOPT	ED ON this 13 th day of February, 2013.
	Lilian Myers, Chair Oversight Board of Successor Agency to the Maywood Community Redevelopment Agency
ATTEST:	
Ivonne Umana	
Oversight Board Secretary	
	resolution was duly adopted by the Oversight wood Community Redevelopment Agency at a ry, 2013, by the following vote:
AYES:	
NAYES:	
ABSENT:	
ABSTAIN:	
	Ivonne Umana Oversight Board Secretary

ATTACHMENT 1 Resolution

ATTACHMENT 2 ROPS 13-14A For the period July 1, 2013 through December 31, 2013

SUCCESSOR AGENCY CONTACT INFORMATION

Successor Agency	
ID:	127
County:	Los Angeles
Successor Agency:	Maywood
Primary Contact	
Honorific (Ms, Mr, Mrs)	Mr.
First Name	Andre
Last Name	Dupre
Title	Project Manager
Address	4319 Slauson Ave
City	Maywood
State	CA
Zip	90270
Phone Number	323-562-5721
Email Address	andre.dupret@cityofmaywood.org
Secondary Contact	
Honorific (Ms, Mr, Mrs)	Ms.
First Name	Regina
Last Name	Tercero
Title	Successor Agency Finance Manager
Phone Number	323-562-5707
Email Address	regina.tercero@cityofmaywood.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: MAYWOOD (LOS ANGELES)

Outst	anding Debt or Obligation		Total		
	Total Outstanding Debt or Obligation		\$18,566,661		
Curre	nt Period Outstanding Debt or Obligation		Six-Month Total		
Α	Available Revenues Other Than Anticipated RPTTF Funding		\$0		
В	Enforceable Obligations Funded with RPTTF		\$1,075,026		
С	Administrative Allowance Funded with RPTTF		\$125,000		
D	Total RPTTF Funded (B + C = D)		\$1,200,026		
E	Total Current Period Outstanding Debt or Obligation (A + B +	C = E) Should be same amount as ROPS form six-month total	\$1,200,026		
F	Enter Total Six-Month Anticipated RPTTF Funding		\$1,200,026		
G	Variance (F - D = G) Maximum RPTTF Allowable should not ex	\$0			
Н		e's approved RPTTF amount including admin allowance or the actual amount distributed)			
	Period (July 1, 2012 through December 31, 2012) Estimated vs Enter Estimated Obligations Funded by RPTTF (lesser of Finance		\$1,041,796		
I	Enter Actual Obligations Paid with RPTTF		\$869,448		
J	Enter Actual Administrative Expenses Paid with RPTTF	\$125,00			
K	Adjustment to Redevelopment Obligation Retirement Fund (H	H - (I + J) = K	\$47,348		
L	Adjustment to RPTTF (D - K = L)		\$1,152,678		
Certif	ication of Oversight Board Chairman:	Lilian Myers	Oversight Board Chair		
Durcu	ant to Section 34177(m) of the Health and Safety code,	Name	Title		
ruisu					
	by certify that the above is a true and accurate Recognized				
I here	by certify that the above is a true and accurate Recognized ation Payment Schedule for the above named agency.	/s/			

Oversight Board Approval Date:	

MAYWOOD (LOS ANGELES) RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) July 1, 2013 through December 31, 2013

											Fundin	g Source		
Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation \$18,566,661	Total Due During Fiscal Year 2013-14 \$1,575,490	Bond Proceeds	Reserve Balance	Admin Allowance \$125,000	RPTTF \$1,075,026	Other \$0	Six-Month Total \$1,200,026
1	2007 Tax Allocation Bonds	5/1/2007		Wells Fargo Bank	Tax Allocation Bonds, Series 2007. On May 1, 2007 the CDC of the City of Maywood issued \$21,650,000 in Tax Allocation Bonds, Series 2007. The 2007 proceeds were used to refund the Commission's \$8,485,000 Variable Rate Demand Tax		18,390,000		0	0	0	882,365	0	882,365
2	Bank Trustee Admin Fee			Wells Fargo Bank	Annual bank trustee fee and administration fee for 2007 Bond Reserve Fund held at trustee bank		0	2,500	0	0	0	2,500	0	2,500
3	Advances from the City of Maywood			City of Maywood	Advances that are payable to the City of Maywood made from loans in previous fiscal years plus interest that has accrued on the outstanding advances payable for a total of \$4,246,993 as of June 30, 2012.		0	0	0	0	0	0	0	0
4	Jones & Mayer Legal Expenses	4/11/2011		Jones & Mayer	Maywood Successor Agency Legal Expenses		0	120,269	0	0	60,134	0	0	60,134
5	Successor Agency Staff Administrative Costs			City of Maywood	Administrative Costs-Staff		0	129,731	0	0	64,866	0	0	64,866
6	Maintenance & Improvement-CDC Agency- owned properties			City of Maywood	Maintenance & Improvement-CDC Agency-owned properties a. 5102 District Blvd. (commercial site) b. 5110 District Blvd. (commercial site) c. 5515 Maywood Ave, (pocket park site)		0	27,000	0	0	0	13,500	0	13,500
7	Other -Audits/DDR's on LMIHF and Other Funds			City of Maywood	Fees paid for required AB1484 review and DDR's for LMIHF and Other Funds		11,166					11,166		11,166
8	Other - Due to City of Maywood			City of Maywood	Funds due to City of Maywood for administration costs provided by City Staff as of Fiscal Year Ending June 30, 2011, prior to the creation of the Mayrwood Successor Agency		165,495					165,495		165,495
														0
														0
														0
														0
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MAYWOOD (LOS ANGELES)

Pursuant to Health and Safety Code section 34186 (a)

PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)

July 1, 2012 through December 31, 2012

					J	uly 1, 2012 through D	ecember 31, 2012									
, ,					LM	INC	Bond Pr	ocoods	Posone	e Balance	Admin A	Allowance	RPT	TE	Ot	hor
, ,										1					Other	
Item#	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
					\$13,500	\$13,500	\$0	\$0	\$0	\$0	\$171,456	\$125,000	\$870,340	\$869,448	\$0	\$1
	2007 Tax Allocation Bonds	Wells Fargo Bank	Tax Allocation Bonds, Series 2007										870,340	869,448		
			On May 1, 2007 the CDC of the City of Maywood issued													
			\$21,650,000 in Tax Allocation Bonds, Series 2007.													
			The 2007 proceeds were used to refund the Commission's													
			\$8,485,000 Variable Rate Demand Tax Allocation Bonds and													
			certain redevelopment projects within the project areas to													
			finance and to pay bond issuance costs.													
			The 2007 Bonds will mature on August 1, 2037.													
			Interests are payable on the February 1st and August 1st of													
			each year. Principal payments commenced in FY 2010.													
			The outstanding balance as of June 30, 2011 was \$19,255,000.													
	Successor Agency Staff Administrative Cos	ts City of Maywood	Admin Costs - Staff		1					+	77,856	77,856	ļ			
		1								+	02.500	47				
	Legal Expenses	Jones & Mayer	Admin Costs - Legal		-					 	93,600	47,144	-			
		+			-					 		_	-			
$\overline{}$	Maintenance & Improvement-CDC Agency-	or City of Managed	Maintenance & Improvement-CDC Agency-owned properties		13,500	13,500				+		 	1			
	wantenance & improvement-CDC Agency	Gity of Maywood	a. 5102 District Blvd. (commercial site)		13,500	15,500				+		 	1			
		+	b. 5110 District Blvd. (commercial site) b. 5110 District Blvd. (commercial site)		1					†		 	1			
		1	c. 5515 Maywood Ave, (pocket park site)							+		†	1			
$\overline{}$			c. 3313 Maywood Ave, (pocket park site)													
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MAYWOOD (LOS ANGELES)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)

July 1, 2013 through December 31, 2013

Item#	Project Name / Debt Obligation	Notes/Comments
1	2007 Tax Allocation Bonds	
2	Bank Trustee Admin Fee	
3	Advances from the City of Maywood	
4	Jones & Mayer Legal Expenses	
	2007 Tax Allocation Bonds Bank Trustee Admin Fee Advances from the City of Maywood Jones & Mayer Legal Expenses Successor Agency Staff Administrative Costs	
6	Maintenance & Improvement-CDC Agency- owned properties	
	owned properties	
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